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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of:

Implementation of the  
Cable Television Consumer  
Protection and Competition  
Act of 1992

Tier Buy-Through Prohibitions

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MM Docket 92-262

REPLY COMMENTS OF THE COMMUNITY ANTENNA  
TELEVISION ASSOCIATION, INC.

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Association, Inc.  
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January 28, 1993

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The comments filed in this proceeding reveal that historically, as a response to market and regulatory concerns, cable systems have operated with great technical diversity and used many different approaches to market the various packages of channels to their subscribers. Obviously, because of their different situations, some systems will find compliance with Commission buy-through regulations easier than others. For the

most part, however, the systems filing comments agree on certain principles: that buy-through provisions should not apply to any system that does not employ fully addressable technology, including converters; that the buy-through section of the Cable Act must be read narrowly in order to preclude significant rate increases to subscribers; and that a wide range of market schemes must be permitted, as long as subscribers to basic services pay the same charges for delivery of pay services as do others.

Virtually all commenting cable systems have explained the individual techniques that they have used to deliver different levels of programming - passive traps, active traps, programmable converters, combinations of traps and converters and addressable converters. The Commission has learned that "addressable" may have a limited meaning, that traps cannot be used extensively without creating difficulties with channel positioning and technical problems, such as signal leakage and signal degradation, that some techniques that might enable buy-through would promote signal piracy on a wide scale, and that the installation of technology needed to effect buy-through on a nationwide basis would cost hundreds of millions of dollars.

Commentors have argued persuasively that any cost to convert systems to the level of addressability required for effectuation

of buy-through provisions will be more than nominal and must be grounds for the ten year exemption provided in the Cable Act. Small systems in particular must be given consideration. Again and again, the comments remind the Commission that the industry is on the verge of employing new digital technology, compression techniques, broadband fiber technology, and to precipitously buy "old technology" now to enable buy-through on a system-wide basis would not only have undesirable effects on system rates, but would frustrate the very new technological developments the Commission and Congress have been trying to promote. Seldom in any Commission proceeding has there been such unanimity of opinion.

Of course, in any proceeding there are outliers. In their joint comments, the National Association of Telecommunications Officers and Advisors (NATOA), The National League of Cities, The United States Conference of Mayors, and the National Association of Counties, blithely state that the technology is already in place or exists to allow most cable systems to comply with buy-through. Clearly, the Congress realized this was not the case, the Commission understood the severe limitations faced by much of the industry, but NATOA and its allies choose to ignore this reality.

In a bid for control that would return the cable industry to the balkanized regulatory situation of the '70's, NATOA et al.

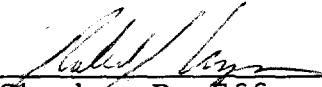
urge that the Commission delegate to local authorities the judgments about whether systems can effect buy-through provisions and argue that only "material adverse effects" should spare systems from the requirements. NATOA suggests that modification to comply with buy-through be a condition of franchise renewal, and that cost need not be an issue because costs can be passed on to subscribers. Indeed. CATA urges the Commission to resist the attraction of having its own work done by others, particularly those of draconian bent. By its filing NATOA has raised the pirate flag. It is asking the Commission to grant its members letters of marque and reprisal that would permit them to plunder the cable industry under authority of the federal government. This cannot be permitted. The Commission is in a unique position to effect the will of the Congress. It must exercise a national policy, not allow individual communities to frustrate the development of an industry.

CATA urges that the Commission heed the virtually unanimous comments filed in this proceeding, and temper its buy-through regulations to reflect the great diversity of cable systems. In its Notice the Commission recognized, as did the Congress, that for many cable systems - particularly smaller systems - compliance with the goal of buy-through cannot occur in a day, and may in fact take years. This view is the correct one. The Commission should not give credence to NATOA and those who allege that most

systems can comply today, and who then offer to lift the regulatory burden so that the Commission will not have to become "involved." The Nation's 60 million subscribers are the ones who will be forced to "walk the plank" should such a prescription be taken seriously.

Respectfully submitted,

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